



Comptroller General
of the United States

814251

Washington, D.C. 20548

Decision

Matter of: AlliedSignal Avionics Inc.

File: B-258457

Date: January 20, 1995

Jay D. McFadyen, Esq., for the protester.
J. Stephen Brophy, Esq., Department of Transportation, U.S. Coast Guard, for the agency.
Katherine I. Riback, Esq., and Paul E. Jordan, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Where a bid shows a consistent pattern of "NC" (no charge) for a warranty line item, agency reasonably allowed correction of an inadvertently entered line item price in 1 of 4 option years for the same warranty since it is clear from the bid that the bidder intended to enter "NC" for that line item.

DECISION

AlliedSignal Avionics Inc. (Allied) protests the award of a contract to Jet Electronics and Technology, Inc., under invitation for bids (IFB) No. DTCG23-94-B-ATCO13, issued by the Department of Transportation, U.S. Coast Guard, for traffic alert and collision avoidance systems (TCAS) and certain spare parts, for the U.S. Coast Guard helicopter fleet. The protester contends that the agency improperly permitted Jet to correct its bid, thereby displacing the protester as the low responsive bidder.

We deny the protest.

The IFB sought services for a base year with 4 option years. The bid schedule for this contract consisted of a base bid and 4-option year bids comprised of various line items. Bidders were to enter a unit price for each item. The solicitation advised that the low bidder would be determined by multiplying the unit price by the estimated quantities listed in the IFB.

Three bids were received by the July 19, 1994, bid opening date. Jet submitted both a standard bid and an alternate bid. Based upon the evaluated price for each bid in

accordance with section M of the IFB, Jet's alternate bid of \$5,283,965 was the apparent low bid, followed by Allied's bid of \$7,902,900, and Jet's standard bid of \$8,909,546. Jet's alternate bid was determined to be nonresponsive.

Upon review of Jet's standard bid, the contracting officer noted that Jet included an entry of "NC" (no charge) for line item Nos. 0004, 0010, 0015, and 0031, which were each for a 2-year warranty for the base year and 3 of the option years for the TCAS I units. The contracting officer also noted that line item No. 0023, under option year 3, which was for the same 2-year warranty for the TCAS I units, had a priced entry of \$50,268. The figure of \$50,268 that Jet inserted in line item No. 0023 was identical to the price for the item to be warranted which appeared directly above in line item No. 0022. The contracting officer also noted that Jet's alternate bid, which was determined nonresponsive, included an entry of "NC" for every one of the line items for the 2-year warranty for the TCAS I units.

Two days after bid opening, Jet informed the agency that it made a clerical mistake in its bid, and that the unit price for line item No. 0022 of \$50,268 was mistakenly inserted in line item No. 0023. Jet stated that it intended to insert the entry "NC" on line item No. 0023, and that this entry would have been consistent with the other line items for the same 2-year warranty. Jet followed up by submitting a written account of its mistake, along with supporting documentation.

Based on Jet's pattern of entering "NC" for the 2-year warranty on four out of the five line items on its standard bid, and the fact that it entered "NC" on all of the line items for the 2-year warranty on its alternate bid, the contracting officer determined that Jet intended to enter "NC" for line item No. 0023. He therefore permitted Jet to correct its bid price. As corrected, Jet's evaluated bid price was \$7,703,114--rather than \$8,909,546--and Jet displaced Allied as the lowest-priced responsive bidder.²

This protest to our Office followed. Allied objects to the correction of Jet's bid, contending that neither the alleged mistake nor the intended bid is apparent from the bid.

¹The accompanying documentation demonstrated that Jet offered a standard 2-year warranty to its customers at no additional charge.

²When line item No. 0023 was multiplied by the estimated quantity listed in section M of the IFB, the evaluated price of the line item was \$1,206,432.

Allied argues that the agency's use of extraneous evidence was improper and demonstrated that the mistake was not apparent.

An agency may permit a bidder to correct an alleged mistake where clear and convincing evidence establishes the existence of the mistake and the bid actually intended. Federal Acquisition Regulation (FAR) § 14.406-3(a). Where such a correction would result in displacing one or more lower bids, the correction is permissible only if the existence of the mistake and the bid actually intended are ascertainable from the solicitation and the bid itself. Peck Iron and Metal Co., Inc., 69 Comp. Gen. 534 (1990), 90-1 CPD ¶ 563. The asserted correct bid must be ascertainable from the bid itself or on the basis of logic and experience. OTKM Constr., Inc.--Recon., 65 Comp. Gen. 202 (1986), 86-1 CPD ¶ 53.

In our view, the agency reasonably concluded that the awardee's \$50,268 price for line item No. 0023 was clearly a clerical error ascertainable from the bid itself and the solicitation.³ Jet's base and option years bid schedule shows a pattern of entering "NC" for the 2-year warranty for the TCAS I units. Jet inserted "NC" for the 2-year warranty on four of the five line items on its standard bid and on all of the line items for the 2-year warranty on its alternate bid. It therefore appears that Jet intended to enter "NC" for line item No. 0023, but simply inadvertently entered the price from line item No. 0022 instead.

Our result here is similar to situations where a base price was inserted but an option price was omitted, and a pattern of pricing can be ascertained by comparing the base and option prices for certain line items. In those cases, we have allowed an agency to apply that pattern by analogy to ascertain an omitted option price. See United Food Servs., 65 Comp. Gen. 167 (1985), 85-2 CPD ¶ 727. Moreover, it is logical to assume that Jet intended to enter "NC" for the line item for the 2-year warranty because the price for a warranty is unlikely to suddenly increase for the third

³While Jet did submit a letter explaining the mistake and information that it offered a standard 2-year warranty to its customers at no charge, the correction here was proper even though it displaced another bidder since the mistake and the intended bid were ascertainable from the bid itself without considering the material in the letter. Peck Iron and Metal Co., Inc., *supra*. The fact that these materials were submitted does not prevent the correction from being made. Sovran Constr. Co., Inc., B-242104, Mar. 18, 1991, 91-1 CPD ¶ 295.

option year, and then drop back down for the fourth option year. Accordingly, we conclude that the agency reasonably allowed Jet to correct its bid.

The protest is denied.

\s\ Paul Lieberman
for Robert P. Murphy
General Counsel